

ORIGINAL  
OPEN MEETING



MEMORANDUM

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TO: THE COMMISSION

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FROM: Utilities Division

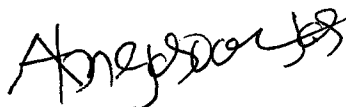
AZ CORP COMMISSION  
DOCUMENT CONTROL

DATE: July 18, 2006

RE: IN THE MATTER OF THE MERGER OF MOUNTAIN TELECOMMUNICATIONS,  
INC. AND ESCHELON TELECOM, INC. (DOCKET NO. T-03432A-06-0451)

On July 7, 2006, Mountain Telecommunications of Arizona, Inc. ("MTI-AZ") and Eschelon Telecom, Inc. ("Eschelon") filed a joint Application for Waiver of Arizona Administrative Code Rule R14-2-803 of the Public Utility Holding Companies and Affiliated Interests Rules and Joint Notice of Intent to Transfer Control. The application seeks to consummate a merger agreement between the parties.

Staff has not completed its evaluation of the application and, therefore, recommends that the filing be suspended for a period of one hundred twenty days, up to and including November 3, 2006.

*for*   
Ernest G. Johnson  
Director  
Utilities Division

EGJ:AFF:lhmm\MAS

ORIGINATOR: Armando Fimbres

Arizona Corporation Commission

**DOCKETED**

JUL 18 2006

DOCKETED BY	
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**BEFORE THE ARIZONA CORPORATION COMMISSION**

JEFF HATCH-MILLER  
Chairman  
WILLIAM A. MUNDELL  
Commissioner  
MARC SPITZER  
Commissioner  
MIKE GLEASON  
Commissioner  
KRISTIN K. MAYES  
Commissioner

IN THE MATTER OF THE MERGER OF  
MOUNTAIN TELECOMMUNICATIONS,  
INC. AND ESCHELON TELECOM, INC.  
DOCKET

DOCKET NO. T-03432A-06-0451  
DECISION NO. \_\_\_\_\_  
ORDER

Open Meeting  
July 25 and 26, 2006  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Mountain Telecommunications of Arizona, Inc. ("MTI-AZ") and Eschelon Telecom, Inc. ("Eschelon") are certificated to provide telecommunications services in the State of Arizona.
2. On July 7, 2006, MTI-AZ and Eschelon filed a joint Application for Waiver of Arizona Administrative Code Rule R14-2-803 of the Public Utility Holding Companies and Affiliated Interests Rules and Joint Notice of Intent to Transfer Control.
3. The application seeks to consummate a merger agreement between the parties.
4. Staff has not completed its evaluation of the application and, therefore, recommends that the filing be suspended for a period of one hundred twenty days, up to and including November 3, 2006.

CONCLUSIONS OF LAW

1. MTI-AZ and Eschelon are Arizona public service corporations within the meaning of Article XV, Section 2, of the Arizona Constitution.

2. The Commission has jurisdiction over MTI-AZ and Eschelon and the subject matter in this filing.

3. The Commission, having reviewed the filing and Staffs Memorandum dated July 18, 2006, concludes that it is in the public interest to suspend this filing for a period of one hundred twenty days, up to and including November 3, 2006.

ORDER

IT IS THEREFORE ORDERED that this filing be and is hereby suspended up to and including November 3, 2006.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
BRIAN C. McNEIL  
Executive Director

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

EGJ:AFF:lhmm\MAS

Decision No. \_\_\_\_\_

1 SERVICE LIST FOR: Mountain Telecommunications, Inc. and Eschelon Telecom, Inc.  
2 DOCKET NO. T-03432A-06-0451

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4 Vice President  
5 Mountain Telecommunications, Inc.  
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7 Tempe, Arizona 85282

8 Ms. Catherine A. Murray  
9 Manager, Regulatory Affairs  
10 Eschelon Telecom, Inc.  
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12 Minneapolis, Minnesota 55402

13 Mr. Ernest G. Johnson  
14 Director, Utilities Division  
15 Arizona Corporation Commission  
16 1200 West Washington  
17 Phoenix, Arizona 85007

18 Mr. Christopher C. Kempley  
19 Chief Counsel  
20 Arizona Corporation Commission  
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